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USDOC FOR 532/OEA/DMUSLU/MHAMES
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN
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E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: FGUP
NIIKI OEP, SOSNOVY BOR, LENINGRAD REGION, RUSSIA,
LICENSE NO: D357334

REFTEL: USDOC 04557

¶1. Unauthorized disclosure of the information provided
below is prohibited by Section 12C of the Export
Administration Act.

¶2. Reftel requested a post-shipment verification to
determine the legitimacy and reliability of the end-
user, Federal State Unitary Enterprise Research
Institute for Complex Testing of Optoelectronic
Devices and Systems (Russian acronym FGUP NIIKI OEP),
Sosnovy Bor, Leningrad Region, Russia. The company was
listed on BIS license number: D357334 as the ultimate
consignee of a thermal camera, model PV320A2E, 6A003.
These commodities are controlled for national security
and regional security reasons. The exporter is
Electrophysics Corporation, 373 Route 46 West Bld,
Fairfield, NJ 07004.

¶3. On September 8, 2006, Export Control Attaché Donald
Pearce and FSN Natalya Shipitsina conducted the
requested post-shipment verification with FGUP NIIKI
OEP, St. Petersburg, Russia. The export control team
met with Yuri Kuzilin Head of Department and Aleksandr
Gorelov, Chief Engineer. The meeting was conducted at
the Renaissance hotel in St. Petersburg.

¶4. NOTE: The Government of Russia (GOR) has special
security regulations for certain government and
government controlled entities and industries.
Special security clearances are required for foreign
nationals to access sites the GOR considers to be
strategic and/or sensitive. FGUP NIIKI OEP is
considered to be a sensitive facility, and therefore,
a site visit could not be immediately scheduled. As
the commodity had not yet been permanently installed,
Mr. Kuzilin offered to bring the device to us for
verification, and we accepted. Mr. Kuzilin was
informed that our report would reflect the fact that
no site visit was conducted, and that our
recommendation would be limited by that fact. END
NOTE.

¶5. FGUP NIIKI OIP was founded in 1969 as a subordinate
entity of the State Optical Institute in St.
Petersburg. The organization was established for
experimental research and production of testing
devices for use in the optoelectroinc field. During
Soviet times, the organization employed 2500.
Currently, FGUP NIIKI OIP employs around 900. The
organization has its offices and laboratory at a
secure facility of 500 hectares (1495 acres), located

in Sosnovy Bor, 92 Km (approximately 60 miles) outside of St. Petersburg. The facility employs 140 personnel to guard the laboratories, and since the town is within 100km of the border with Finland, the perimeter is also patrolled by elements of the Border Guards.

¶6. The thermal imager in reftel will be incorporated into an interferometer for use in testing aspheric elements for optical lenses and related equipment. The interferometer will be located at the laboratory, in a limited access area, with cipher locks on the doors and an electronic security system. The interferometer has not been completed yet, so the camera is stored in a safe in the administration office. In order to remove the camera from the facility, Mr. Kuzilin and Mr. Gorelov had to apply in writing for permission from the security directorate. Mr Gorelov showed the team a copy of the approved memo, stamped and signed by the director of security.

¶7. Mr Gorelov will be responsible for the operation of the interferometer. Mr. Gorelov is the main instructor and engineer, and is personally planning and constructing the interferometer. The device will only be utilized for testing aspheric lens elements. The end users of the lenses produced are in Russia, Israel and the United States. Aspheric elements are used in a variety of optical lenses.

¶8. Recommendations: While post recommends Federal State Unitary Enterprise Research Institute for Complex Testing of Optoelectronic Devices and Systems, Sosnovy Bor, Leningrad Region, Russia, as a reliable recipient of sensitive U.S. origin commodities, the finding is limited as no site visit was permitted. A

site visit can be arranged, with a 60-90 day lead time, should one be deemed necessary. Post considers the PSV closed unless BIS cables with additional requests.

(FCS MOSCOW/SBOZEK/DPEARCE)
BURNS